

Title: **The financial and economic feasibility of smoke catfish as a viable enterprise for limited resource catfish farmers**

Author(s): Curtis Jolly, Oyie Omali-Marcena, Youssuf Diabate, Yifen Wang, Ntam Barahanyi

Abstract: Limited resource catfish producers are seeking ways to enhance economic and financial profitability of their aquaculture enterprises. One of the recommended methods to increase profitability is to sell value added smoked catfish at niche markets. Development of value-added smoked catfish is a potential cottage industry for limited resource catfish farmers in the Alabama Black Belt area. However, little information is available on the profitability and feasibility of producing for and selling smoked catfish. In this study, we examine the profitability of producing smoked catfish competitively on a limited scale, and the factors influencing the profitability and feasibility of smoked catfish. Three product types (fish ring, whole fish, and fish split open from the back) and two smoker sizes (20-fish and 30-fish capacities) were analyzed. The 50-20-fish ring, the 150-30 fish ring and the 150-30 fish open all generated positive net returns above costs. The operations were financially feasible with internal rates of returns greater than the required rates of returns. The payback periods were less than four years. The net present values of all three operations were negatively influenced by farm price but positively related to the final weight of the smoked fish after dressing and smoking, and the selling price of the product. While smoked catfish shows profitability, the decision to undertake this enterprise may depend on the scale of the enterprise, consumer acceptance, capital requirements, and government regulations influencing the production process and the marketing of smoked catfish.